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DOING INTERNATIONAL BUSINESS: FROM CULTURAL PERSPECTIVES

ABSTRACT

The remarkable growth of the global economy over the past 50 years has been shaped by the dynamic interplay of various driving and restraining forces. From business and HRD (Human Resource Development) aspects, an understanding of globalization as it applies to the field of training and educational programs enables organizations to develop competencies and skills to respond to these emerging challenges faced by globalization. In recent reports (Yager, 2001; O'Regan, 2001), employers are increasingly having trouble finding workers who have excellent (1) soft skills, (2) business etiquette, (3) interpersonal communication skills, and (4) intercultural communication skills. An international business organization cannot succeed if cultural factors are ignored, and the same is true for educational programs. The central goal of this study was to explore the aspects needed for cultural understanding in formal course offerings such as language courses, as well as possible activities/subjects that could improve culture understanding. Significant differences regarding how students' academic profiles affected their attitudes toward culturally related issues were discovered in this study. Recommendations were made for changes in language courses taught to Hospitality majors.

INTRODUCTION

The remarkable growth of the global economy over the past 50 years has been shaped by the dynamic interplay of various driving and restraining forces. During most of this time, organizations from different parts of the world and different cultural backgrounds have achieved great success by pursuing

international, multinational, or global strategies. From business and HRD (Human Resource Development) aspects, an understanding of globalization as it applies to the field of training and educational programs enables organizations to develop competencies and skills to respond to these emerging challenges faced by globalization. One of the most pressing questions for businesses to address is the definition of responsible global corporate citizenship and corporate social conduct (Carroll, 1994). This is especially the case in the field of Hospitality Management.

At the start of the new millennium, tourism is firmly established as the number one industry in many countries and the fastest-growing economic sector in terms of foreign exchange earnings and job creation. International tourism is the world's largest export earner and an important factor in the balance of payments of most nations. (WTO, 2005, p. 1)

The businesses that are expanding in this industry are faced with managing a global workforce in diverse cultural environments. One way to help bridge the cultural gap is through the addition of a cultural component in language courses developed specifically for majors, resulting in a course such as Spanish for Hospitality Majors.

This study looks at how students gain cultural awareness in college courses and makes recommendations on how to improve courses.

CULTURAL FACTORS

Culture-based behavior shapes a nation's corporate social conduct (Katz, Swanson and Nelson, 2001). In the 1980s, Hofstede surveyed thousands of employees in over 40 countries and determined that national culture explains over 50% of the differences in the behavior and attitudes of employees. Moreover, Hofstede proposed four value-oriented dimensions that differentiate national cultures: (1) power distance, (2) individualism, (3) uncertainty avoidance, and (4) masculinity. Each of these values can be considered as continuous variables; a culture can fall anywhere between the two descriptive poles of one of these variables. Cultural anthropologists have long recognized and use value-oriented dimensions to describe the cultural values that most precisely identify and circumscribe a group. In further investigation, Marquardt and Dean reported in 1993 that there are nine interacting factors that create the various cultures. They indicated that these nine factors have a significant impact on global HRD practices. These nine factors are religion, education, economics, politics, family, class structure, language,

history, and natural resources/geography. Generally, people feel compelled strongly to conform to cultural norms, regardless of how much one embraces the underlying cultural values. Simply put, the success or failure of an international and/or multinational business organization may depend on management's knowledge of cultural factors and their impact on the work place.

To be effective in a global business environment, it is important to study different cultures and communication skills. Employers increasingly having trouble finding workers who have excellent (1) soft skills, (2) business etiquette, (3) interpersonal communication skills, and (4) intercultural communication skills (Anonymous, 2002; Yager, 2001; O'Regan, 2001; Zaidman, 2001). As the world becomes more diverse and countries serve as hosts to more international guests, the issue of communication and effective interaction with people from other cultures becomes more important (Cameron, 2000).

By the year 2010, in the United States of America, the states of California, Florida, Texas, and New York will contain one-third of all US youth aged eighteen and younger. Fifty-seven percent of those youth will be non-white in Texas and California, and 53% will be nonwhite in Florida and New York (Bruder, 1992). Many of these youth are from immigrant families who are from non-European cultures. As the population shifts, the number of students and workers with an international perspective keeps increasing because of this diversity, globalization, technology and fast transportation. The changing population base also creates needs for workers to learn language and culture that can be applied in the workplace. Although many students gain an understanding of language through participating in college courses and study abroad programs, the cultural component is often missed. Language is just one part of the challenge. Etiquette, traditional customs, and culture also play an important role in global understanding. There are benefits other than just economic ones that are received when cultural components are included in language courses developed specifically for a major such as Hospitality Management. They include (1) an improved ability to identify viable business opportunities, (2) an increased competitiveness around the world, (3) improved job satisfaction and retention of overseas staff, (4) less business loss due to insensitivity toward cultural norms, and (5) improved effectiveness in diverse business environments (Marquardt and Dean, 1993).

Cultural conflicts and misunderstandings are often caused by simple ignorance of interest beliefs and experiences between nations. Many

misunderstandings arise from inappropriate social conduct—unintended meanings, poor word choices, ineffective styles, unclear roles and responsibilities, false expectations, different standards, fluctuating economic and political conditions, or personal misfortunes. These misunderstandings can easily be corrected through education and dialogue (Goldsmith, 1999), and education may be the best and most simple way to resolve them.

Many studies have addressed cross-culture issues, business etiquette, and intercultural business. However, most research has confined itself to business communication and corporate citizenship. Little research targets college students and their perceptions related to cultural issues. This study seeks to discover their perceptions and needs regarding employment preparation in a global society.

METHODOLOGY

Approximately 850 professors throughout the world who belong to the Council on Hotel, Restaurant, and Institutional Education (CHRIE) were contacted and asked to recruit five students to participate. This convenience sample produced 585 participants.

A survey identifying aspects of cultural issues related to hospitality curricula was posted online for one month.

RESULTS

Overall, there were 585 students (6.4% freshmen, 9.7% sophomores, 16.1% juniors, 34.4% seniors, and 33.5% graduates) who participated in this online survey. In terms of age groups, the participants fell into four age categories: under 20 years old (7.9%), 20–25 years old (58.5%), 26–30 years old (17.1%), and above 30 years old (16.5%). Over 50 nationalities were represented, and more than 95% of the participants indicated that having cultural related courses is important. However, fewer than 40% of the participants' programs provided these cultural related courses. Among the participants who indicated that their program did provide cultural related courses, more than 45% of these participants attended those courses.

Students were first asked to rank what they thought were the most important (relevant) courses to understanding other cultures. They were given nine options. The nine options were (related to cultural issues) general cultural/history courses, general critical issues courses, cultural behavior courses, cross-culture analysis courses, cultural courses focused on business aspects, courses on critical cultural issues, cultural communication/understanding courses, cultural consulting courses, and colloquium courses. These nine

major categories were identified by extensively reviewing existing cultural courses offered within the participating universities. In this study, “courses on critical cultural issues” ranked number one (Table 1).

Students were also asked to rank the three most common ways they have experienced different cultures and learned about international business protocol. Overall, study abroad/exchange student programs, work/internship, and attending cultural-related events/fairs were the top three means by which students have experienced different cultures (Table 2). The top three methods frequently cited as areas where students believe they learn about international business protocol were work experience, hospitality courses, and mass media (Table 3). Surprisingly, “business courses” ranked as one of the poorest sources for students to learn about international business protocol.

Language understanding was cited as the biggest challenge when working with people from different cultures, and working attitude was recognized as the biggest challenge when working with people from the same culture (Table 4). This is an important finding for professional development of hospitality management students. Language courses that are developed in an interdisciplinary manner between the language department and the hospitality management department may help to alleviate this challenge for graduates of hospitality management programs.

This study found several statistically significant findings when it came to teaming and working with others. Over 76% of freshmen, junior, and senior students think “communication techniques” ($\chi^2=13.26$, $P\text{-value}=0.01$) is the second most difficult consideration for accomplishing a team project. Over 40% of sophomores and graduate students consider “communication techniques” as the first most difficult consideration for accomplishing a team project. When working with people from different cultural backgrounds, over 95% of freshmen think “language understanding” ($\chi^2=9.36$, $P\text{-value}=0.05$) is the most difficult aspect but 80% of graduate students consider it as the second most difficult aspect for accomplishing a team project. “Language understanding” and “working attitude” were considered the most difficult barriers to a team project when working with people from other cultures and “working attitude” was again considered the most difficult aspect when working with people from the same cultural background. Based on paired test analysis, the statistical significance indicated that participants in this study reported differences between respondents from the same cultural background and respondents from different cultural backgrounds (Table 5). Language understanding ($P\text{-value} < 0.001$), commitment to teamwork ($P\text{-values}=0.007$), and cultural impacts/gaps/misunderstanding ($P\text{-value}=0.014$) are the major

aspects that cause conflict when teaming with people. It is fair to say that these major aspects are closely tied to cultural values and norms. By providing different cultural sub-learning units in language courses and the regular curriculum, students can learn to communicate with people from other cultures and experience culture with a global mindset. Language courses, culture courses, and study abroad programs are suggested as key ways to improve better cultural understanding and cross-cultural communication skills.

PERCEIVED AVENUES TO IMPROVE UNDERSTANDING

Study abroad programs and exchange-student programs were cited by the subjects as the most relevant means to improve cultural understanding. Overall, “study abroad programs” are what students believe improve cultural understanding the most. Students are also most willing to participate in them (Table 6). Students believe “after-class activities/events” contribute least to cultural understanding and they feel least willing to participate in these programs.

From the results of paired test analysis, students in this study generally considered study abroad programs ($P\text{-value} < 0.001$), culture courses ($P\text{-value} < 0.001$), and exchange-student programs ($P\text{-value} < 0.001$) important to participate in. Surprisingly, students did not recognize language courses as important for cultural understanding, even though they reported language as a problem when working in teams. They also indicated they were less likely to participate in language courses. Paired tests also indicated that students were less willing to participate with more diverse students and in after-class activities/events.

These results reveal an opportunity for interdisciplinary cooperation between language departments and other specific degree programs to develop language courses specific to the major which address global issues. An example is a course such as Spanish for Hospitality Management Majors that addresses culture, business etiquette and other factors critical to the success of managers in a global marketplace. Another example would be a study abroad program that combines Language Hospitality Management curricula since study abroad programs were ranked number 1 (Table 6) in terms of relevance of subjects towards cultural understanding.

IMPLICATIONS AND CONCLUSION

Overall, this study found that students want courses focused on critical issues in the hospitality industry and courses related to cultural behavior. They

currently learn about other cultures through study abroad and internships. And, they learn business protocols from working. Students realized language is a barrier when working with people from other cultures, yet they are not inclined to participate in language courses. These findings should help educators as they develop global curricula. As mentioned before, there are some soft concepts that can affect the competitiveness of international/multinational organizations. Those factors are business etiquette (Yager, 2001), interpersonal communication (O'Regan, 2001), and intercultural communication (Zaidman, 2001). Pertinent curricula taught by knowledgeable educators should prepare students for future employment in a global society. Providing opportunities for students to learn about cultures and encouraging them to interact with people from different cultural backgrounds allows each student to become future business leaders who are culturally sensitive global citizens.

Culture is composed of societal forces affecting the values, beliefs, and actions of a distinct group of people. Cultural differences certainly exist between nations, but significant cultural differences exist within countries as well. As business corporations compete in the global marketplace, their competitive advantage is often derived from their ability to maintain effective relations in multiple countries over long periods of time (Rondinelli and Berry, 2000). Education is a key to preparation for global citizenship.

This study found widespread recognition that not only are courses on cultural issues important to college students as ways to learn about other cultures, but they also benefit these students when they work with people from similar cultures. Cultural courses can help students to overcome cultural adjustments when grouped with students from other cultural backgrounds. Most participants reported that communication techniques, cultural gaps, and language were the biggest challenges to learning about other cultures. Based on the responses from these Hospitality Management student participants, language departments that develop courses to include culture and business etiquette may have mass appeal to students. In addition, Hospitality Management programs that do not require the study of a foreign language should consider adding this requirement.

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APPENDIX

TABLE 1. MOST IMPORTANT (RELEVANT) COURSES TO UNDERSTANDING OTHER CULTURES COURSES

Rank	Title	N	Mean	Mode
1	Course for critical cultural issue	262	1.83	1.00
2	Cultural behavior course	50	1.86	3.00
3	Course for general critical cultural issues	236	1.91	2.00
4	Cross culture analysis course	241	1.93	2.00
5	Cultural analysis course-business	247	2.01	2.00
6	Course for cultural communication/ understanding	38	2.02	2.00
7	General cultural/history course	185	2.13	3.00
8	Course for cultural adjustment/consulting	160	2.19	3.00
9	Colloquium/Speakers Course	196	2.30	3.00

TABLE 2. WAYS STUDENTS HAVE EXPERIENCED DIFFERENT CULTURES

Rank	Way	N	Mean	Mode
1	Study abroad/exchange student programs	308	1.79	1.00
2	Work/Internship	271	1.88	1.00
3	Attending cultural related events/fair	188	1.95	2.00
4	International classmates	189	2.10	2.00
5	History & cultural course	186	2.12	2.00
6	Domestic mass media	144	2.17	3.00
7	Foreign mass media	136	2.18	3.00
8	Travel	12	2.50	2.00
9	International instructors	20	2.70	2.00

TABLE 3. SOURCES STUDENTS LEARNED ABOUT INTERNATIONAL BUSINESS PROTOCOL

Rank	Sources	Mean	Modes
1	Working experiences	1.87	1.00
2	Hospitality courses	1.92	2.00
3	Mass media	1.97	1.00
4	Business courses	2.00	2.00
5	Classmates & Advisors	2.02	2.00
6	Job fairs & related events	2.03	2.00
7	Law courses	2.32	3.00

TABLE 4. CHALLENGES WHEN WORKING WITH OTHER PEOPLE

Rank	Biggest Challenge Working with People from DIFFERENT Cultures
1	Language understanding
2	Working attitude
3	Cultural impacts/gaps/misunderstanding
4	Communication techniques
5	Commitment to teamwork
Rank	Biggest Challenge Working with People from SAME Cultures
1	Working attitude
2	Language understanding
3	Commitment to teamwork
4	Cultural impacts/gaps/misunderstanding
5	Communication techniques

TABLE 5. PAIRED SAMPLES TEST
(Grouping with People from Different Cultures vs. Grouping with People from Same Culture)

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1	Language understanding - Language understanding							
		-.4167	.50361	.10280	-.6293	-.2040	-4.053	.000 *
Pair 3	Cultural impacts/gaps/ misunderstanding - Cultural impacts/gaps/ misunderstanding							
		-.2619	.66478	.10258	-.4691	-.0547	-2.553	.014 *
Pair 4	Working attitude - Working attitude							
		.0233	.63577	.09695	-.1724	.2189	.240	.812
Pair 5	Commitment to teamwork - Commitment to teamwork							
		.1809	.63859	.06587	.0501	.3116	2.746	.007 *

TABLE 6. RELEVANCE OF SUBJECTS TOWARD CULTURAL UNDERSTANDING

Rank	Importance of Subject	N
1	Study aboard programs	544
2	Exchange-student programs	544
3	Culture courses	545
4	More diverse students	541
5	Language courses	542
6	After-class activities/events	532
Rank	Willingness to Participate in Subject	N
1	Study aboard programs	540
2	More diverse students	536
3	Culture courses	543
4	Exchange-student programs	537
5	Language course	543
6	After-class activities/events	539

TABLE 7. PAIRED SAMPLES TEST
(Relevant Important Cultural Subjects vs. Willingness to Participate in the Cultural Subjects)

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 Language courses - Language courses	.0575	.88693	.03820	-.0175	.1326	1.505	538	.133
Pair 2 Culture courses - Culture courses	.2015	.72398	.03113	.1403	.2626	6.473	540	.000 *
Pair 3 Study Abroad Programs - Study abroad programs	.3445	.91144	.03933	.2672	.4218	8.759	536	.000 *
Pair 4 Exchange-student programs - Exchange-student programs	.4318	.93141	.04027	.3527	.5109	10.722	534	.000 *
Pair 5 More diverse students - More diverse students	.0244	.66196	.02870	-.0319	.0808	.851	531	.395
Pair 6 After-class activities/events - After-class activities/events	.0285	.72843	.03176	-.0339	.0909	.898	525	.370